



# *The Insider*

[www.senate.michigan.gov/dem/switalski](http://www.senate.michigan.gov/dem/switalski)

## **Inside State Politics with State Senator Mickey Switalski Senate District 10**

**January 9, 2004**

Welcome to the electronic version of *The Insider*. I hope you and your family had a safe and wonderful holiday season. With the New Year upon us, I would like to take the opportunity to thank you for your support and for giving me an opportunity to represent you in the Michigan Senate for the past year. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing, while keeping true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at [senmswitalski@senate.michigan.gov](mailto:senmswitalski@senate.michigan.gov) or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a library near you. Call my office and you can make an appointment, or you can just walk in. See page 3 for the schedule.

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### **Legislative Update**

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#### ***Budget Review in January***

When the legislature returns to the Capitol January 14<sup>th</sup>, the first order of business is the January Revenue Estimating Conference. By law, this conference takes place every January and again in May. A three-person panel, comprised of the State Treasurer, and Heads of the House and Senate Fiscal Agencies meet, hear expert testimony from University of Michigan economists and Wall Street experts, and agree upon a Consensus Revenue Estimate.

This estimate serves as the official target for 2005 budget preparations, which begin in earnest in February. That process gets its kickoff January 27<sup>th</sup>, when Governor Granholm offers her 2<sup>nd</sup> State of the State message. In that speech she sets out her agenda for the coming year. Within a couple of weeks, she offers her proposal for a state 2005 Budget.

Even though the legislature will begin working on the 2005 budget, we have a long way to go on our current 2004 budget. The state's fiscal year runs from October 1<sup>st</sup>, 2003 to September 30<sup>th</sup>, 2004, and is referred to as the Fiscal Year 04 Budget. The economy has been so bad, that in October, a Special Revenue Estimating Conference, beyond the normal January and May conferences, was required because two weeks into the Fiscal Year the budget was already seriously in deficit.

The Governor and Legislature were required to cut nearly \$1 Billion out of the FY 04 Budget. After a series of negotiations an agreement was reached on the cuts, which included a 6-month delay in the tenth of a percent rollback in the state income tax. Cuts to the School Aid fund were thereby cut in half.

Schools still suffered a large cut. But it was a smaller cut than what was anticipated. The cuts were broad based, and all sectors shared the pain.

This regular January Revenue Estimating Conference will tell us how realistic our projections were in October. The Conference has had a history of being too optimistic in bad times, and too conservative in good times. Predicting the future is a risky business to begin with, and I'm sure the estimators are aware of the effect their predictions can have. A low estimate in bad times runs the risk of becoming a self-fulfilling prophecy.

Nevertheless, the State needs a good forecast of its revenues and the balance of its current budget. Shortfalls must be made up in the current year, because by its own Constitution, Michigan must run a balanced budget. Mid-year budget cuts are especially burdensome to administrators, because they disrupt operations and leave fewer options and flexibility than at the start of the fiscal year. That's why local government and schools have been especially critical about Revenue Sharing and School Aid cuts the past three years.

Unofficial Projections of the potential FY 05 deficit are about \$600 million. As bad as that sounds, projections for the prior two years were \$ 1 Billion and \$1.5 Billion two years ago. So I suppose we are getting better. A more realistic estimate at the outset will keep us from running big mid-year deficits in the coming year.

I'll be devoting myself to that thankless task in the months ahead. Your encouragement is appreciated.

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## **Mickey's Legislation**

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### **Judicial Reform Resolution**

I'm introducing a resolution that would reform how Supreme Court judicial positions are filled when the Michigan Senate returns from its holiday recess on January 14.

If the resolution passes the Senate and the House and then is signed by the governor, the resolution would be put on the November ballot as a Constitutional Amendment to be approved by voters.

The resolution would call for the Governor to nominate judges for the Michigan Supreme Court, with the governor's appointments being subject to 2/3 approval of the full Senate. This is the case at the federal level, with the President appointing Supreme Court nominees with approval necessary from the U.S. Senate.

Currently, Michigan Supreme Court justices are elected for eight-year terms. Michigan uses a unique method in electing Supreme Court justices. Candidates are nominated by political parties but are elected on a non-partisan ballot. Two justices are up for election every two years and one justice is elected every eighth year in November. The ballot often favors the incumbent justices as they are listed as incumbents. There is no other information provided on the ballot other than the names of the candidates. Any vacancies are filled by gubernatorial appointment, often resulting in an appointment of a member of his or her party. The resolution would install a checks and balances system by creating legislative approval for a Supreme Court justice appointment.

The Michigan Supreme Court is the court of last resort in the state and hears cases on a discretionary basis. The Michigan Supreme Court consists of seven justices. Every two years, the justices of the Court elect a fellow member to serve as chief justice.

Candidates for the Supreme Court must be registered to vote in the state and must be licensed to practice law in the state for at least five years. In addition, candidates must be under the age of 70 at the time of the election.

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### **Coffee Hours**

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\*Please note that since the District Office is in Roseville I do not have coffee hours in Roseville. I encourage you to visit the Roseville office. We even have a coffee pot.

#### **Sterling Heights/Utica**

**Feb. 9, Mar. 1  
7-9 P.M.**

Location: Sterling Heights Library  
(Utica and Dodge Park roads)

#### **Clinton Township**

**Jan. 26, Feb. 23, Mar. 29  
7-9 P.M.**

Location: Clinton Township Library  
(35891 Gratiot and 15 mile)

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### **Contact My Office**

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